UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

| MICHAEL J. QUILLING, | | |
|-------------------------------|---|-------------------------|
| Plaintiff, | | |
| | | File No. 1:03-CV-236 |
| V. | | MON BORERT HOLLIES BELL |
| TRADE DADENIERO DAGO A 1 | | HON. ROBERT HOLMES BELL |
| TRADE PARTNERS, INC., et al., | | |
| Defendants. | | |
| | / | |

ORDER APPROVING AND ADOPTING MAGISTRATE JUDGE'S REPORT AND RECOMMENDATION

Magistrate Judge Ellen S. Carmody filed a Report and Recommendation ("R&R") on June 24, 2010, recommending that the corrected joint motion of the Receiver, Bruce S. Kramer, and Government Personnel Life Insurance Company for an order directing change of ownership (Dkt. No. 1924) be granted. (Dkt. No. 1947, R&R.) No objections have been filed pursuant to 28 U.S.C. § 636(b)(1)(C). The Court has reviewed the R&R and agrees with the recommendation. Accordingly,

IT IS HEREBY ORDERED that the Magistrate Judge's June 24, 2010, R&R (Dkt. No. 1947) is APPROVED AND ADOPTED as the opinion of this Court.

IT IS FURTHER ORDERED that the Corrected Joint Motion for Order Directing
Change of Ownership (Dkt. 1924) is GRANTED.

IT IS FURTHER ORDERED that, as an equitable matter, California law governs

the transaction between BAB-R (the Insured) and Kelco, Inc./Trade Partners, Inc.

IT IS FURTHER ORDERED that under the applicable law and the stipulated facts,

the Receiver acquired an equitable interest in the Certificate of Coverage.

IT IS FURTHER ORDERED that Military Benefits Association and Government

Personnel Mutual Life Insurance Company shall record the Receiver, Bruce S. Kramer, as

the equitable owner of the \$100,000 Certificate of Coverage issued under Master Group

Policy of Life Insurance No. G-39989.

Date: August 16, 2010

/s/ Robert Holmes Bell

ROBERT HOLMES BELL

UNITED STATES DISTRICT JUDGE

2